



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Governor

Robert L. Morgan
Executive Director

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June 17, 2002

CERTIFIED RETURN RECEIPT
7099 3400 0016 8895 5309

Mr. Ronald Stout
900 Industrial Road
P.O. Box 251
St. George, Utah 84770

Re: Notice of Non-Compliance and Division Directive to Suspend Mining Activities, Ron Stout, et. al, Unpermitted Stone Quarry, M/053/073, Washington County, Utah

Dear Mr. Stout:

On May 24, 2002, a representative from the Division inspected your decorative stone mining project located near St. George, Utah. A GPS survey of the mine site was performed to determine the extent of surface disturbance associated with this site. A total of 9.59 acres of disturbance was measured. Any mechanized mining-related surface disturbing activity must be permitted with the State of Utah, Division of Oil, Gas and Mining before the operation begins. Surface disturbances exceeding five acres requires the filing of a large mine permit application (mining and reclamation plan) and reclamation bond with the Division. To date, the Division has not received an application from you for a permit to mine at this site. The Division has created file number M/053/073 for this unpermitted project.

This letter provides formal notice that mining operations at the unpermitted quarry (M/053/073), located in Washington County, Utah, are being conducted in violation of the Utah Mined Land Reclamation Act, 40-801 et. seq. (Act) and the Minerals Reclamation Program Rules, sections R647-1 through R647-5.

Findings of Non-Compliance

1. The operator, Ron Stout, et. al., is operating a mining operation which has disturbed approximately 9.59 acres of surface disturbance. Rule R647-4-101 requires an operator to file a Notice of Intention to Commence Large Mining Operations (FORM MR-LMO), and receive Division approval of the permit application before mining operations begin. To

date, the operator has failed to file a Notice of Intention to Commence Large Mining Operations.

2. Rule R647-4-113 requires an operator post surety with the Division to ensure adequate reclamation is performed, before mining-related disturbances are created. To date, the operator has not filed adequate reclamation surety to cover the 9.59 acres of surface disturbance.

Location of Non-Compliance

Disturbances associated with this unpermitted quarry are located in portions of the NE1/4 of the NW1/4 of Section 20, T42S, R15W, SLBM, Washington County, Utah.

Mitigation Requirements:

1. **The operator is hereby directed to immediately stop all mining activity, including removal of any stockpiled material from the mine site.**
2. **In order to continue mining activities at this mine site, the operator will be required to do the following:**
 - **post a *transitional* surety** with the Division that is based upon the total amount of surface disturbance associated with the mine project, and
 - **file a large mine permit application** with the Division because the surface disturbances have exceeded five acres.
3. **You are further directed to contact the Division within 10 days from your receipt of this notice to schedule a meeting to discuss options to remedy this situation.**
Please contact Vicki Southwick, Executive Secretary, at (801) 538-5304 to arrange a meeting with the Associate Director to resolve this matter.

Penalties for Failure to Comply

1. A formal Notice of Agency Action will be prepared should the operator refuse or fail to resolve this Notice of Non-compliance within a timely manner. This enforcement action could require the operator to appear at an informal hearing before the Division Director, or a formal hearing before the Board of Oil, Gas and Mining. Following public notice and formal hearing, the Board may issue an abatement or compliance Order which may require: immediate suspension or termination of all mining operations until the mining

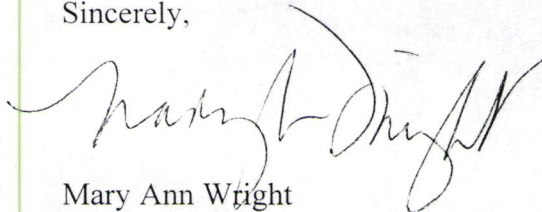
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and reclamation plan is approved; immediate reclamation of the site; and/or other lawful requirements as authorized under the Act.

2. The Board may also ask the County prosecutor or attorney general to bring suit against the operator to enforce its Orders and to seek assessment of appropriate penalties, not to exceed \$10,000 for each knowing or willful violation of the Act.

A copy of the Mined Land Reclamation Rules, and MR-LMO application form are enclosed for your reference and use. If you have any questions regarding the requirements of this letter, please contact D. Wayne Hedberg, Permit Supervisor, at (801) 538-5286, or Doug Jensen at (801) 538-5382. Thank you for your immediate attention to this matter.

Sincerely,



Mary Ann Wright
Associate Director, Mining

jb

Enclosure: Minerals Rules, form MR-LMO, inspection memo w/photos & GPS map

cc: Rick Rymerson, BLM, St. George FO
Will Stokes, SITLA
Vickie Southwick, Executive Secretary

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